

2816

**TOWN OF FORDOCHE, LOUISIANA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

Under provisions of state law, this report is a public document. A copy of the report has been distributed to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 07/18/01

**TOWN OF FORDOCHE  
POINTE COUPEE PARISH, LOUISIANA  
P. O. BOX 10  
FORDOCHE, LA 70732  
(504) 637-3112**

**MAYOR**  
Justin K. Cox

**COUNCIL**  
Michel Meche  
Irma Smith  
Pat Smith  
Don Sonnier  
Stan Thibodeaux

**LEGAL COUNSEL**  
Stephen H. Marionneaux

**TOWN CLERK**  
Helena L. Wright

**CHIEF OF POLICE**  
Fred Gueho

**MEETING DATE**  
2nd Tuesday of Every Month  
6:30 pm - Town Hall

**TOWN OF FORDOCHE, LOUISIANA  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2000**

**TABLE OF CONTENTS**

	<u>Note</u>	<u>Page</u>
Independent Auditor's Report .....		1
General Purpose Financial Statements -		
Combined Balance Sheet - All Fund Types and Account Group .....		2
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (GAAP Basis) - General Fund .....		3
Statement of Revenues, Expenses, and Changes in Retained Earnings - Budget and Actual (GAAP Basis) - Proprietary Fund Type (Enterprise Fund) .....		4
Statement of Cash Flows - Proprietary Fund Type (Enterprise Fund) .....		5
Notes to the Financial Statements -		
Introduction .....	1	6
Summary of Significant Accounting Policies - .....	2	6
Reporting Entity .....		6
Other Organizations .....		6
Fund Accounting .....		7
Basis of Accounting .....		7
Budgets .....		8
Encumbrances .....		9
Cash and Cash Equivalents .....		9
Accounts Receivable and Bad Debts .....		9
Short-Term Interfund Receivables/Payables .....		9
Inventories .....		9
General Fixed Assets .....		9
Property, Plant and Equipment - Proprietary Fund .....		9
Compensated Absences .....		10
Fund Equity .....		10
Interfund Transactions .....		10
Use of Estimates .....		10
Comparative Data .....		10
Total Columns on Combined Statements .....		11

**TOWN OF FORDOCHE, LOUISIANA  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2000**

**TABLE OF CONTENTS**

	<u>Note</u>	<u>Page</u>
Cash Deposits with Financial Institutions .....	3	11
Changes in Fixed Assets .....	4	12
Ad Valorem Taxes .....	5	12
Sales Tax and Centralized Collection Agency Agreement .....	6	13
Franchise Agreements .....	7	13
Pension Plan and Retirement Commitments .....	8	14
Contingent Liabilities .....	9	14
Compensation Paid to Board Members .....	10	14
Federal Financial Assistance .....	11	14
 Supplemental Information:		
Schedule of Revenues - Budget and Actual (GAAP Basis) - General Fund .....		17
Schedule of Expenditures - Budget and Actual (GAAP Basis) - General Fund .....		18
Schedule of Expenses - Budget and Actual (GAAP Basis) - Propriety Fun Type - Enterprise Fund .....		20
 Other Reports Required by <i>Government Auditing Standards</i> :		14
Independent Auditor's Report on Compliance and on Internal Control Over Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....		22
 Schedule of Findings .....		23

# George F. Delaune

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OFFICERS ASSOCIATION

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Mayor and Board of Aldermen  
Town of Fordoche, Louisiana

I have audited the accompanying general purpose financial statements of the TOWN OF FORDOCHE, LOUISIANA, as of and for the year ended December 31, 2000, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Town of Fordoche, Louisiana's management. My responsibility is to express an opinion on these general purposes financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and with provisions of Louisiana Revised Statute 24:513 and the provisions of the *Louisiana Governmental Audit Guide*, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Fordoche, Louisiana, as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 22, 2001, on my consideration of the Town of Fordoche, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements of Town of Fordoche, Louisiana, taken as a whole. The accompanying financial information listed as Supplemental Information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Fordoche, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*George F. Delaune, CPA*

May 22, 2001

**TOWN OF FORDOCHE, LOUISIANA**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 2000**

	<u>Governmental</u> <u>Fund Type</u>	<u>Proprietary</u> <u>Fund Type</u>	<u>Account Groups</u>		<u>Totals</u> <u>Memorandum</u> <u>Only</u>
	<u>General</u>	<u>Enterprise</u>	<u>General</u> <u>Long-Term</u> <u>Debt</u>	<u>General</u> <u>Fixed Assets</u>	
<b>ASSETS</b>					
Cash and investments	\$ 112,717	\$ 60,572			\$ 173,289
Receivables -					
Taxes - ad valorem	23,455				23,455
Taxes - franchise	5,277				5,277
Utility billings and unbilled		3,048			3,048
Due from other governmental units -					
Louisiana - beer taxes	171				171
Louisiana - tobacco taxes	1,175				1,175
Louisiana - public safety	1,750				1,750
Due from Water System	12,137				12,137
Prepaid expenses		1,282			1,282
Property, Plant and Equipment -					
At cost		755,614	\$ 22,616	\$ 139,134	917,364
Accumulated depreciation		(277,923)			(277,923)
<b>TOTAL ASSETS</b>	<u>\$ 156,682</u>	<u>\$ 542,593</u>	<u>\$ 22,616</u>	<u>\$ 139,134</u>	<u>\$ 861,025</u>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts payable	\$ 2,822	\$ 3,300			\$ 6,122
Due to General Fund		12,137			12,137
Deferred revenues		2,811			2,811
Capital lease obligations		54,458			54,458
<b>Total Liabilities</b>	<u>2,822</u>	<u>72,706</u>			<u>75,528</u>
Fund Equity:					
Contributed capital, net of amortization		421,145			421,145
Investment in general fixed assets			\$ 22,616	\$ 139,134	161,750
Retained earnings -					
Unreserved		48,742			48,742
Fund balances -					
Unreserved --					
Undesignated	153,860				153,860
<b>Total Fund Equity</b>	<u>153,860</u>	<u>469,887</u>	<u>22,616</u>	<u>139,134</u>	<u>785,497</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 156,682</u>	<u>\$ 542,593</u>	<u>\$ 22,616</u>	<u>\$ 139,134</u>	<u>\$ 861,025</u>

The accompanying notes are an integral part of this statement.



**TOWN OF FORDOCHE, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues:</b>				
Taxes	\$ 65,800	\$ 69,036	\$ 3,236	\$ 67,935
Licenses and permits	10,880	10,728	(152)	11,930
Intergovernmental revenue	9,300	8,221	(1,079)	7,423
Fines and forfeitures	10,050	9,789	(261)	7,141
Miscellaneous revenues	14,370	14,981	611	8,627
Total Revenues	110,400	112,755	2,355	103,056
<b>Expenditures:</b>				
Current -				
General government	54,130	47,758	6,372	37,973
Public safety	26,230	26,951	(721)	18,169
Streets and drainage	26,840	26,690	150	18,519
Capital outlays -				
General government	4,400	6,254	(1,854)	
Public safety				5,637
Streets and drainage	28,062	28,062		4,606
Total Expenditures	139,662	135,715	3,947	84,904
<b>Excess Revenues (Expenditures)</b>	(29,262)	(22,960)	6,302	18,152
<b>Other Financing Sources (Uses):</b>				
Proceeds from capital lease financing	30,217	25,624	(4,593)	
Payments on capital lease financing	(2,100)	(3,008)	(908)	
<b>Excess Revenues and Other Sources (Expenditures and Other Uses)</b>	(1,145)	(344)	801	18,152
Fund Balance - January 1	154,205	154,205		136,053
<b>FUND BALANCE - DECEMBER 31</b>	<b>\$ 153,060</b>	<b>\$ 153,861</b>	<b>\$ 801</b>	<b>\$ 154,205</b>

The accompanying notes are an integral part of this statement.

**TOWN OF FORDOCHE, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS**  
**BUDGET AND ACTUAL (GAAP BASIS) - PROPRIETARY FUND TYPE**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	Enterprise			
	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Operating Revenues:</b>				
Charges for services -				
Water sales	\$ 45,000	\$ 47,232	\$ 2,232	\$ 38,125
Miscellaneous revenues	6,000	3,421	(2,579)	7,773
Total Operating Revenues	51,000	50,653	(347)	45,898
<b>Operating Expenses:</b>				
Water expenses	62,168	45,779	16,389	40,030
General and administrative	19,076	16,843	2,233	13,727
Total Operating Expenses	81,244	62,622	18,622	53,757
<b>Operating Loss</b>	<b>(30,244)</b>	<b>(11,969)</b>	<b>18,275</b>	<b>(7,859)</b>
<b>Non-operating Revenues (Expenses):</b>				
Interest earned	1,900	2,083	183	
Interest expense	(5,430)	(3,907)	1,523	
Total Non-operating Revenues (Expenses)	(3,530)	(1,824)	1,706	
<b>Net Loss</b>	<b>(33,774)</b>	<b>(13,793)</b>	<b>19,981</b>	<b>(7,859)</b>
Add depreciation on fixed assets acquired by grants for capital acquisitions and construction that reduces contributed capital	15,576	15,576		15,375
<b>Increase in Retained Earnings</b>	<b>(18,198)</b>	<b>1,783</b>	<b>19,981</b>	<b>7,516</b>
Retained Earnings - January 1	46,959	46,959		39,443
<b>RETAINED EARNINGS - DECEMBER 31</b>	<b>\$ 28,761</b>	<b>\$ 48,742</b>	<b>\$ 19,981</b>	<b>\$ 46,959</b>

The accompanying notes are an integral part of this statement.



**TOWN OF FORDOCHE, LOUISIANA**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Enterprise</u>	
	<u>2000</u>	<u>1999</u>
<b><i>Cash Flows from Operating Activities:</i></b>		
Operating loss	\$ (11,969)	\$ (7,859)
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	23,952	19,422
Changes in assets and liabilities -		
Decrease (increase) in receivables	(1,614)	803
Decrease (increase) in prepaid insurance	(571)	23
Increase (decrease) in accounts payable	818	164
Increase (decrease) in due to General Fund	3,188	1,111
Increase (decrease) in deferred revenues	<u>1,323</u>	<u>65</u>
Net Cash Provided by (Used for) Operating Activities	<u>15,127</u>	<u>13,729</u>
<b><i>Cash Flows from Capital and Related Financing Activities:</i></b>		
Proceeds from LCDBG grant	6,065	27,505
Proceeds from Fire Protection District No. 4	15,000	
Proceeds from capital lease financing	55,974	
Acquisition of fixed assets	(81,285)	(24,523)
Payments on capital lease financing and interest	<u>(5,423)</u>	<u></u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(9,669)</u>	<u>2,982</u>
<b><i>Cash Flows from Investing Activities:</i></b>		
Interest on investments	<u>2,083</u>	<u></u>
Net Cash Provided by Investing Activities	<u>2,083</u>	<u></u>
<b><i>Net Decrease in Cash and Cash Equivalents</i></b>	<b>7,541</b>	<b>16,711</b>
Cash and Cash Equivalents at January 1	<u>53,031</u>	<u>36,320</u>
<b>CASH AND CASH EQUIVALENTS AT DECEMBER 31</b>	<b><u>\$ 60,572</u></b>	<b><u>\$ 53,031</u></b>

The accompanying notes are an integral part of this statement.

**TOWN OF FORDOCHE, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000**

**NOTE 1 - INTRODUCTION**

The Town of Fordoche, Louisiana (the "Town") was incorporated May 10, 1961, under the provisions of Title 33, Chapter 2, Part 1, of the Louisiana Revised Statutes (Lawrason Act - Act No. 36 of 1898). The Town operates under a Mayor-Board of Aldermen Council form of government and provides the following services--public safety (police), streets, public improvements, and general administrative services. In addition, the Town owns and operates a water enterprise activity.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

As the municipal governing authority, for reporting purposes, the Town of Fordoche is considered a separate financial reporting entity. The financial reporting entity consists of [a] the primary government (municipality), [b] organizations for which the primary government is financially accountable, and [c] other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Fordoche for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Town of Fordoche (the primary government). There are no component units that are required to be included with the reporting entity.

**Other Organizations**

The municipality may appoint some, or all, governing board members of organizations that are not included as component units in the primary government's reporting entity. These organizations are classified as [a] related organizations, [b] joint ventures and jointly governed organizations, and [c] component units of another government with characteristics of a joint venture or jointly governed organization.

Considered in the determination of component units of the reporting entity were the Pointe Coupee Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges for the 18th Judicial District. It was determined that these governmental entities are not component units of the Town of Fordoche reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Town of Fordoche.

**TOWN OF FORDOCHE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2000**

Also, excluded from the reporting entity:

*Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana*

This potential component unit has a separate board appointed jointly by the area governments' governing bodies. It provides services to residents, within the geographic boundaries of the government and other areas adjacent to it. This unit is excluded from the reporting entity because the government does not have the ability to exercise influence or control over its daily operations, approve budgets or provide funding.

*Fund Accounting*

The municipality uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the municipality are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**Governmental Fund**

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund--the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.

**Proprietary Fund Type**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

Enterprise funds--account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

*Basis of Accounting*

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases and decreases in net current assets. The modified accrual basis of



**TOWN OF FORDOCHE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2000**

accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Sales and use tax revenues are recorded in the month they are received by the parish tax collector.

Federal and state grants and reimbursements are recorded when the Town is entitled to the funds.

Fines, forfeitures, and court costs are recorded in the year they are received by the Town or parish tax collector.

Fees, charges and commissions are recognized as revenue in the month in which they are earned and billed.

Substantially all other revenues are recorded when received by the Town.

**Expenditures**

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recorded when the actual transfers occurs.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

**Budgets**

A proposed operating budget for the fiscal year, prepared on GAAP Basis, is approved by the Board of Aldermen and adopted in accordance with the Local Government Budget Law. The operating budget includes proposed expenditures and the means of financing them.

During the year, monthly budgetary comparison statements are used as management tools to control operations. When necessary the Board adopts budget amendments which are included in minutes published in the official journal.

**TOWN OF FORDOCHE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2000**

The Board exercises budgetary control at the line item level. Unexpended appropriations lapse at the year end and must be reappropriated in the next year's budget to be expended.

**Encumbrances**

The Town does not follow the encumbrance method of accounting.

**Cash and Cash Equivalents**

Cash and cash equivalents includes amounts in demand deposits, interest-bearing demand deposits, and pooled cash in the Louisiana Asset Management Pool, Inc.. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. State statutes also authorizes local governments in Louisiana to invest in the Louisiana Asset Management Pool Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at cost.

**Accounts Receivable and Bad Debts**

The Town uses the direct charge-off method whereby uncollectible amounts due from ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP and it approximates the valuation method.

**Short-Term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**Inventories**

Inventories for supplies are immaterial and are recorded as expenditures when purchased.

**General Fixed Assets**

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, streets, and drainage systems, are not capitalized with other fixed assets. Interest cost incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

**Property, Plant and Equipment - Proprietary Fund**

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

**TOWN OF FORDOCHE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2000**

Depreciation is charged as an expense against operations. Depreciation is computed using the straight-line method with estimated useful lives as follows:

Water System	35 Years
Equipment	10 Years
Vehicles	5 Years
Office Equipment	5 Years

**Compensated Absences**

The Town has not established any vacation or sick leave policies.

**Fund Equity**

**Contributed Capital**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources. This depreciation is closed to the contributed capital account and is reflected as a adjustment to net income.

**Unreserved Retained Earnings**

Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distribution.

**Unreserved-Undesignated Fund Balances**

The unreserved-undesignated fund balances for governmental funds represent the amount available for budgeting future operations.

**Interfund Transactions**

All interfund transfers are reported as operating transfers.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Comparative Data**

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, complete comparative data (i.e., presentation of prior year totals by fund type in each of the statements) have not been presented since their inclusion would make the statements unduly complex and difficult to read.



**TOWN OF FORDOCHE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2000**

*Total Columns on Combined Statements*

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 3 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS**

At December 31, 2000, the status of deposited funds and collateralized balances are as follows:

Balance per bank statements	\$ 14,256
Secured by Federal Deposit insurance	14,256
Secured by Pledge of securities	<u>0</u>
Unsecured and Uncollateralized	<u><u>\$ 0</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

Cash also includes \$165,936 in the Louisiana Asset Management Pool Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB Codification Section 150.165, the cash in LAMP at December 31, 2000, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representative from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

**TOWN OF FORDOCHE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2000**

**NOTE 4 - CHANGES IN FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 1,500			\$ 1,500
Buildings and improvements	44,514	\$ 4,497		49,011
Tractor and equipment	39,271			39,271
Equipment	13,258	1,757		15,015
Office equipment	6,275			6,275
Vehicles		28,062		28,062
Totals	<u>\$ 104,818</u>	<u>\$ 34,316</u>		<u>\$ 139,134</u>

A summary of changes in proprietary fund type property, plant and equipment follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Water system	\$ 641,990	\$ 54,828		\$ 696,818
Equipment	3,224	30,350		33,574
Office equipment	1,378			1,378
Vehicles	3,216	20,628		23,844
Construction in progress	24,523		\$ (24,523)	0
	674,331	<u>\$ 105,806</u>	<u>\$ (24,523)</u>	755,614
Accumulated depreciation	(253,972)	<u>\$ 23,951</u>		(277,923)
	<u>\$ 420,359</u>			<u>\$ 477,691</u>

From 1987 through 1990 the Town received federal capital grant funds for the purpose of expanding and enhancing the existing water system. Grant funds received and expended on this project amounted to \$534,065, which were capitalized. This capital grant and capital contributions of \$4,077 is reported under fund equity and is amortized over the estimated useful life of the improvements of 35 years.

**NOTE 5 - AD VALOREM TAXES**

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands and certain historic buildings are to be assessed at 10% of "use" value; and all other property is to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The Assessor is required to reappraise all property every four years.

**TOWN OF FORDOCHE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2000**

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Town. All taxes are due by December 31 of the year and are delinquent on January 1 of the next year, which is also the lien date.

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If the 1991 taxes are not paid by the due date of December 31st, the taxes bear interest at 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year for which they are levied and become due. The majority of the year's taxes are collected from November to February by the Sheriff. Any amounts not collected at December 31st are shown as accounts receivable.

The following is a summary of the tax assessment rolls for the last ten years:

Year	Mills Levied	Assessed Value	Homestead Exemption	Tax to be Paid by Owner	Tax to be Paid by State	Total Tax
1990	7.42	\$ 1,119,932		\$ 8,309.81		\$ 8,309.81
1991	7.00	1,159,133		8,114.06		8,114.06
1992	6.68	1,230,330		8,218.62		8,218.62
1993	13.68	1,256,344		17,186.79		17,186.79
1994	14.08	1,296,809		18,259.09		18,259.09
1995	14.08	1,335,392		18,802.34		18,802.34
1996	13.05	1,497,390		19,541.65		19,541.65
1997	13.05	1,525,691		19,910.99		19,910.99
1998	13.05	1,573,420		20,533.83		20,533.83
1999	13.05	1,711,392		22,334.44		22,334.44
2000	12.44	1,885,429		23,454.64		23,454.64

**NOTE 6 - SALES TAX and CENTRALIZED COLLECTION AGENCY AGREEMENT**

In accordance with Paragraph (B)(1) of Section 3 of Article VII of the Constitution of the State of Louisiana, the Town entered into an agreement on May 20, 1992 with all of the sales and use taxing authorities of the Parish of Pointe Coupee designating the Sales Tax Department of the Pointe Coupee Parish Police Jury as the single tax collection entity. The agreement is effective as of July 1, 1992, the agreement authorizes the Town to compensate the collection agency 1.5% of the gross amounts collected.

**NOTE 7 - FRANCHISE AGREEMENTS**

The Town has granted three franchises:

*Cable Television*

A non-exclusive cable television franchise was granted to Spillway Cablevision, Inc. on November 14, 1995 for a period of 15 years. The annual franchise fee for this franchise shall be 3% of the annual gross subscriber revenues.



**TOWN OF FORDOCHE, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2000**

Telephone

On January 15, 1998, the Town renewed a telephone franchise with Star Telephone Company, Inc. for a period of twenty-five years ending December 31, 2022. The annual franchise fee for this franchise is 2% of the Company's gross receipts.

Electric

On February 10, 1994, the Town granted a franchise to Pointe Coupee Electric Membership Corporation (a non-profit corporation) to supply electric energy to the Town and the inhabitants thereof for a period of 20 years. In consideration, the Town shall receive a fee equaling \$.0025 per kilowatt-hour for each kilowatt-hour sold within the corporate limits of the Town. In addition, the Town is provided street lighting in the corporate limits of the Town existing on the date of the franchise at no charge. Any additional street lighting needed after the franchise date will be furnished under the applicable rate.

**NOTE 8 - PENSION PLAN AND RETIREMENT COMMITMENTS**

All Town employees belong to the Social Security System.

**NOTE 9 - CONTINGENT LIABILITIES**

There is no pending litigation against the Town.

**NOTE 10 - COMPENSATION PAID TO BOARD MEMBERS**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to the outgoing mayor and board members is as follows:

Justin K. Cox, Mayor	\$ 2,400
Robin Cashio	550
Michel Meche	600
Irma Smith	600
Pat Smith	600
Don Sonnier	600
Stan Thibodeaux	0
	<hr/>
	\$ 5,350

**NOTE 11 - FEDERAL FINANCIAL ASSISTANCE**

The Town received \$33,570 in Louisiana Community Development Block Grant funds for improvements to its water system during 1999 and 2000. At September 1, 2000, the improvements were completed.

## SUPPLEMENTAL INFORMATION

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**SCHEDULE 1**  
**TOWN OF FORDOCHE, LOUISIANA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (GAAP BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b><i>Taxes:</i></b>				
General property	\$ 20,500	\$ 22,921	\$ 2,421	\$ 22,247
Sales	28,000	28,086	86	28,918
Electric franchise	13,500	14,032	532	13,533
Cable TV franchise	2,500	2,595	95	1,887
Telephone franchise	1,300	1,402	102	1,350
Total Taxes	<u>\$ 65,800</u>	<u>\$ 69,036</u>	<u>\$ 3,236</u>	<u>\$ 67,935</u>
<b><i>Licenses and Permits:</i></b>				
Occupational licenses	\$ 10,500	\$ 10,693	\$ 193	\$ 11,510
Liquor and beer permits	330		(330)	330
Building permits	50	35	(15)	90
Total Licenses and Permits	<u>\$ 10,880</u>	<u>\$ 10,728</u>	<u>\$ (152)</u>	<u>\$ 11,930</u>
<b><i>Intergovernmental Revenues:</i></b>				
La - Tobacco taxes	\$ 4,700	\$ 3,529	\$ (1,171)	\$ 4,699
La - Beer taxes	1,000	1,089	89	895
La - Video poker				455
La - Law Enforcement	3,600	3,603	3	1,374
Total Intergovernmental Revenues	<u>\$ 9,300</u>	<u>\$ 8,221</u>	<u>\$ (1,079)</u>	<u>\$ 7,423</u>
<b><i>Fines and Forfeitures:</i></b>				
Traffic fines	<u>\$ 10,050</u>	<u>\$ 9,789</u>	<u>\$ (261)</u>	<u>\$ 7,141</u>
<b><i>Miscellaneous Revenues:</i></b>				
Interest earned	\$ 5,510	\$ 6,380	\$ 870	\$ 2,619
Grass cutting contracts	6,340	6,340		5,580
Mowing and backhoe rental	300		(300)	345
Other	2,220	2,261	41	83
Total Miscellaneous Revenues	<u>\$ 14,370</u>	<u>\$ 14,981</u>	<u>\$ 611</u>	<u>\$ 8,627</u>

**SCHEDULE 2**  
**TOWN OF FORDOCHE, LOUISIANA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (GAAP BASIS)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>General Government:</b>				
Mayor's per diem	\$ 2,400	\$ 2,400		\$ 2,200
Council members per diem	3,000	2,900	100	2,750
Salary - clerk	7,800	8,135	(335)	5,979
Benefits	2,970	2,241	729	646
Attorney fee	3,000	3,067	(67)	2,750
Assessor fee	480	523	(43)	511
Audit fee	1,800	1,100	700	1,100
Accounting services	2,300	1,460	840	660
Conventions, conferences, seminars	2,505	2,602	(97)	3,945
Utilities	2,050	1,966	84	1,933
Insurance	6,850	4,922	1,928	2,135
Telephone	3,500	3,613	(113)	3,333
Publishing and recording	2,000	1,964	36	1,152
Mayor's expense account	600	746	(146)	328
Dues and subscriptions	400	180	220	739
Tourism and promotion	750	1,144	(394)	560
Beautification program	1,000	397	603	398
Maintenance of building	3,700	2,152	1,548	1,116
Maintenance of office equipment	2,800	2,213	587	1,378
Office expense and postage	2,175	1,949	226	2,527
Animal ordinance expense	350		350	
Miscellaneous expenses	1,700	2,084	(384)	1,833
<b>Total General Government</b>	<b>\$ 54,130</b>	<b>\$ 47,758</b>	<b>\$ 6,372</b>	<b>\$ 37,973</b>
<b>Public Safety - Police:</b>				
Salary - chief of police	\$ 9,000	\$ 9,599	\$ (599)	\$ 8,350
Salary - police officers	3,000	2,842	158	2,560
Benefits	750	1,314	(564)	882
Uniforms and allowances	700	668	32	276
Insurance	4,700	4,437	263	3,283
Telephone and paging system	2,200	2,092	108	791
Dues and subscriptions	50	100	(50)	152
CMIS fees	330	329	1	
Maintenance of vehicles	1,900	1,676	224	1,023
Police supplies	800	1,262	(462)	66
Maintenance of radios	2,400	2,370	30	521
Miscellaneous expenses	400	262	138	265
<b>Total Public Safety - Police</b>	<b>\$ 26,230</b>	<b>\$ 26,951</b>	<b>\$ (721)</b>	<b>\$ 18,169</b>

	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b><i>Streets and Drainage:</i></b>				
Salary - foreman	\$ 3,500	\$ 3,277	\$ 223	\$ 2,461
Salary - laborers	8,800	9,046	(246)	7,509
Benefits	220	943	(723)	763
Uniforms and linen service	220	214	6	
Drug testing		55	(55)	
Insurance	2,900	2,641	259	3,245
Pagers	50	42	8	121
Travel		25	(25)	
Contract labor	500	265	235	124
Grass cutting contracts	1,800	1,800		
Culverts and drainage				412
Road and street signs	300	24	276	406
Maintenance of vehicles	4,300	4,528	(228)	927
Maintenance of equipment	500	239	261	1,950
Small tools and supplies	1,300	1,277	23	276
Chemicals - weed control	2,200	2,202	(2)	250
Miscellaneous expenses	250	112	138	75
Total Streets and Drainage	<u>\$ 26,840</u>	<u>\$ 26,690</u>	<u>\$ 150</u>	<u>\$ 18,519</u>
<b><i>Capital Outlays:</i></b>				
General government	\$ 4,400	\$ 6,254	\$ (1,854)	
Public safety - police				\$ 5,637
Street and drainage	28,062	28,062		4,606
Total Capital Outlays	<u>\$ 32,462</u>	<u>\$ 34,316</u>	<u>\$ (1,854)</u>	<u>\$ 10,243</u>

**SCHEDULE 3**  
**TOWN OF FORDOCHE, LOUISIANA**  
**SCHEDULE OF EXPENSES - BUDGET AND ACTUAL (GAAP BASIS)**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	2000			1999
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<i>Operating Expenses:</i>				
Water Expenses -				
Salary - superintendent	\$ 4,000	\$ 2,751	\$ 1,249	\$ 2,558
Salary - maintenance	10,500	1,170	9,330	1,166
Benefits	1,800	1,064	736	285
Professional fees	1,860	3,860	(2,000)	1,860
Current used in pumping	6,300	6,081	219	5,961
Maintenance of vehicles	1,000	225	775	
Maintenance of trencher	500		500	
Maintenance of pumping equipmer	6,500	2,048	4,452	981
Maintenance of lines	2,500	631	1,869	5,034
Maintenance of chlorinator	100	55	45	921
Chlorine	800	750	50	656
Supplies and small tools	6,200	2,617	3,583	604
Insurance	800	851	(51)	857
Depreciation	19,308	23,676	(4,368)	19,147
Total Water Expenses	<u>\$ 62,168</u>	<u>\$ 45,779</u>	<u>\$ 16,389</u>	<u>\$ 40,030</u>
General and Administrative -				
Salary - clerk	\$ 7,800	\$ 8,113	\$ (313)	\$ 5,615
Benefits	1,950	1,702	248	430
Audit fees	1,700	1,100	600	1,100
Accounting services	1,700	1,260	440	
Insurance	1,700	1,134	566	587
Dues and subscriptions	150	333	(183)	150
Maintenance of computer	1,500	1,783	(283)	4,115
Office supplies	300	518	(218)	480
Bills and postage	700	561	139	640
Miscellaneous	1,300	63	1,237	335
Depreciation	276	276		275
Total General and Administrativ	<u>\$ 19,076</u>	<u>\$ 16,843</u>	<u>\$ 2,233</u>	<u>\$ 13,727</u>

**OTHER REPORTS REQUIRED BY**  
***GOVERNMENT AUDITING STANDARDS***

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.



# George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

(A Professional Corporation)

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OFFICERS ASSOCIATION

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Mayor and Board of Aldermen  
Town of Fordoche, Louisiana

I have audited the financial statements of the TOWN OF FORDOCHE, LOUISIANA (the "Town"), as of and for the year ended December 31, 2000, and have issued my report thereon dated May 22, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Town of Fordoche, Louisiana's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Town of Fordoche, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operations that I consider to be material weaknesses.

This report is intended for the information of management and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*George F. Delaune, CPA*

May 22, 2001



**TOWN OF FORDOCHE, LOUISIANA  
SCHEDULE OF FINDINGS  
YEAR ENDED DECEMBER 31, 2000**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Town of Fordoche, Louisiana.
2. No reportable conditions were disclosed during the audit of the general purpose financial statements.
3. No compliance violations were disclosed during the audit of the general purpose financial statements.
4. The Town of Fordoche, Louisiana received \$6,065 in Louisiana Community Development Block Grant funds during 2000.

**B. FINDINGS — FINANCIAL STATEMENTS AUDIT**

None

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## **MANAGEMENT LETTER COMMENT**

Honorable Justin K. Cox, Mayor  
and Members of the Town Council  
Town of Fordoche, Louisiana

The following comment was brought to my attention by the Legislative Auditor prior to the commencement of the audit for the year ended December 31, 2000. At his directive I made an investigation into the matter by questioning representatives of the Town and the Pointe Coupee Parish Police Jury.

### ***Finding***

The Town received a LCDBG grant for a water line extension/replacement in which the Town had to secure funds for its installation. Since the Town did not have sufficient funds or manpower to do the installation, the Town sought and received the help of the Pointe Coupee Parish Police Jury's Utilities Department in the form of equipment and manpower.

### ***Violation***

In violation of LA Revised Statutes, the Town and the Police Jury performed this endeavor without an agreement.

### ***Recommendation***

It is my recommendation that whenever the Town requires the assistance of the Police Jury or another governmental unit, it should enter into a "Cooperative Endeavor Agreement" that specifically spells-out the purpose, terms, rights, and responsibilities of both parties.

### ***Town's Response***

The Town did not intentionally violate the law; but only sought better water service for the citizens of the Town. They regret this infraction and have requested their attorney to draft any agreements in the future which meets the requirements of state law.

If the Town needs additional assistance in this matter, I would also recommend contacting the Legislative Auditor, LMA, or myself.

Sincerely,

A handwritten signature in black ink, appearing to read "George F. Delaune", with a long horizontal flourish extending to the right.

George F. Delaune, CPA